

## Virginia Department of Mines, Minerals and Energy

## Virginia Gas and Oil Board

Minutes and results of hearing, May 18, 2004

Board members present: Mr. Brent, Mr. Garbis, Mr. Harris, Mr. Ratliff,

1. A petition from Equitable Production Company for creation and pooling of conventional gas unit V-502025, Kenady District, Dickenson County, Virginia. Docket Number VGOB-04-0420-1284. Carried forward from April.

In the proposed V-502025 conventional gas unit, the applicant controls 71.6% of the oil and gas interests, and seeks to pool the remaining 28.4% of the interests. Unleased acreage subject to pooling totals 31.9 net acres in 11 tracts having 27 unleased owner. There are unlocated owners subject to escrow. No permit application has been submitted. Pooling was approved.

2. A petition from Columbia Natural Resources, LLC for creation and pooling of conventional gas unit 825398, Rocklick District, Buchanan County, Virginia. Docket Number VGOB-04-0420-1286. Carried forward from April.

In the proposed 825398 conventional gas unit, the applicant controls 93.1% of the oil and gas interests, and seeks to pool the remaining 6.9% of the interests. Unleased acreage subject to pooling totals 7.8 net acres in two tracts having five unleased owner. There are no unlocated owners subject to escrow. A permit application has been submitted. Pooling was approved.

3. A petition from prevailing plaintiffs for disbursement of funds escrowed on their behalf, Unit U-16, Garden District, Buchanan Co. Docket Number VGOB-93-0622-0381-01. Carried forward from April.

This unit contains tracts that are subject to a recent Virginia Supreme Court decision determining ownership of coalbed methane gas. Disbursement of those tracts was authorized at the April hearing. The item was carried forward to allow for notification of and disbursement to parties who have royalty split agreements in Tract 2 but were not party to the court decision. The disbursement of split agreement funds was approved in order # 93-0622-0381-02.

4. A petition from prevailing plaintiffs for disbursement of funds escrowed on their behalf, Unit U-19, Garden District, Buchanan Co. Docket

Number VGOB-94-1024-0475-01. Carried forward from April.

This unit contains tracts that are subject to a recent Virginia Supreme Court decision determining ownership of coalbed methane gas. Carried forward to June hearing.

5. A petition from prevailing plaintiffs for disbursement of funds escrowed on their behalf, Unit V-16, Garden District, Buchanan Co. Docket Number VGOB-95-0818-0511-02. Carried forward from April.

This unit contains tracts that are subject to a recent Virginia Supreme Court decision determining ownership of coalbed methane gas. Disbursement of those tracts was authorized at the April hearing. The item was carried forward to allow for notification of and disbursement to parties who have royalty split agreements in Tract 6 but were not party to the court decision. The disbursement of split agreement funds was approved in order # 95-0818-0511-03.

6. A petition from prevailing plaintiffs for disbursement of funds escrowed on their behalf, Unit V-20, Garden District, Buchanan Co. Docket Number VGOB-92-0721-0243-01. Carried forward from April.

This unit contains tracts that are subject to a recent Virginia Supreme Court decision determining ownership of coalbed methane gas. Disbursement of those tracts was authorized at the April hearing. The item was carried forward to allow for notification of and disbursement to parties who have royalty split agreements In Tract 3 but were not party to the court decision. The disbursement of the split agreement funds was approved in order # 92-0721-0243-02

7. A petition from prevailing plaintiffs for disbursement of funds escrowed on their behalf, Unit VP8SGU1, Garden District, Buchanan Co. Docket Number VGOB-95-1024-0526-02. Carried forward from April.

This unit contains tracts that are subject to a recent Virginia Supreme Court decision determining ownership of coalbed methane gas. Disbursement of those tracts was authorized at the April hearing. The item was carried forward to allow for notification of and disbursement to parties who have royalty split agreements in Tracts 13, 14 and 18, but were not party to the court decision. The disbursement of split agreement funds was approved in order # 95-1024-0526-03.

8. A petition from prevailing plaintiffs for disbursement of funds escrowed on their behalf, Unit VP8SGU2, Garden District, Buchanan Co. Docket Number VGOB-97-0617-0587-01. Carried forward from April.

This unit contains tracts that are subject to a recent Virginia Supreme Court decision determining ownership of coalbed methane gas. Disbursement of those tracts was authorized at the April hearing. The item was carried forward to allow for notification of and disbursement to parties who have royalty split agreements in Tracts 8, 10a, 10b, 10c and 10d, but were not party to the court decision. The petitioner withdrew his request to disburse the funds associated with Tract 8. But the disbursement of the split agreement funds associated with Tracts 10a, 10b, 10c and 10d was approved in order # 97-0617-0587-02

9. A petition from CNX Gas Company, LLC for the disbursement of funds

on deposit in the escrow account for Unit VP3SGU1 based on claimants' agreements regarding ownership of gas production allocable to certain tracts. Docket Number VGOB-94-1213-0485-01.

The applicant and Levisa Coal Company have entered into a royalty split agreement involving tracts 17A, 17B, 17C, 17D, 17E, 17F, 17G AND 18 of the unit, and are requesting disbursement of funds from escrow and authorization for direct payment of future royalties. The disbursement of funds was approved.

10. A petition from CNX Gas Company, LLC for pooling of coalbed methane unit BB-120, New Garden District, Russell County, Virginia. Docket Number VGOB-04-0518-1287.

In the BB-120 unit, the applicant controls 92.9% of the coal and gas interests, and seeks to pool the remaining 7.1% of the interests. Acreage subject to pooling totals 4.2 net acres in two tracts with over one hundred unleased owner. There are unlocated owners and conflicting claimants subject to escrow. A permit was issued on 9/25/02, and a well has been drilled and completed. Pooling was approved.

11. A petition from CNX Gas Company, LLC for pooling of coalbed methane unit BB-121, New Garden District, Russell County, Virginia. Docket Number VGOB-04-0518-1288.

In the BB-121 unit, the applicant controls 83.8% of the coal and gas interests, and seeks to pool the remaining 16.2% of the interests. Acreage subject to pooling totals 9.5 net acres in two tracts with four unleased owner. There are conflicting claimants subject to escrow and conflicting claimants subject to existing royalty split agreements. A permit was issued on 9/3/02, and a well has been drilled and completed. Pooling was approved.

12. A petition from CNX Gas Company, LLC for creation and pooling of conventional gas unit TA-52, Maiden Springs District, Tazewell, County, Virginia. Docket Number VGOB-04-0518-1289.

In the proposed TA-52 unit, the applicant controls 100% of the gas interests and 98% of the coal interests, and seeks to pool the remaining 2% of the coal interests. Unleased gas acreage subject to pooling totals 1.2 net acres in three tracts having six unleased owners. There are conflicting claimants subject to escrow. A permit was issued on 9/23/02, and a well has been drilled and completed. Pooling was approved.

13. A petition from Equitable Production Company for a well location exception for proposed well V-502345, Lipps District, Wise County, Virginia. Docket Number VGOB-04-0518-1290.

The applicant seeks an exception in order to drill a conventional well closer to an existing well than allowed under statewide spacing. The proposed well is to be 174 feet closer to existing Equitable gas well 133766, and 128 feet closer to existing Equitable gas well 133548 than the 2500 feet mandated by spacing. The exception is needed to prevent loss of resources. A permit application has been submitted. The location exception was approved.

14. A petition from Equitable Production Company for creation and pooling of conventional gas unit V-535688, Hurricane District, Buchanan

County. Docket Number VGOB-04-0518-1291.

In the proposed V-535688 conventional gas unit, the applicant controls 84.0% of the oil and gas interests, and seeks to pool the remaining 16.0% of the interests. Unleased acreage subject to pooling totals 18.0 net acres in two tracts having 13 unleased owner. There are no unlocated owners subject to escrow. A permit application has been submitted. Pooling was approved.

15. A petition from Equitable Production Company for creation and pooling of conventional gas unit V-535690, Hurricane District, Buchanan County. Docket Number VGOB-04-0518-1292.

In the proposed V-535690 conventional gas unit, the applicant controls 99.8% of the oil and gas interests, and seeks to pool the remaining 0.2% of the interests. Unleased acreage subject to pooling totals 0.2 net acres in one tracts having 4 unleased owner. There are no unlocated owners subject to escrow. A permit application has been submitted. Pooling was approved.

16. A petition from CNX Gas Company, LLC for a well location exception for proposed well 25445, Garden District, Buchanan County, Virginia. Docket Number VGOB-04-0518-1293.

The applicant seeks an exception in order to drill a conventional well closer to an existing well than allowed under statewide spacing. The proposed well is to be 18.7 feet closer to existing gas well PMC-TC-9 than the 2500 feet mandated by spacing. The exception is needed to prevent loss of resources. A permit application has been submitted. The location exception was approved.

The deadline for filing of petitions to the Board for the June hearing is 5 p.m., Friday, May 14, 2004, with the hearing scheduled for 9 a.m. on Tuesday, June 15, 2004 at the Southwest Virginia Higher Education Center, Abingdon, Virginia.

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